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Message Text

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ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 EB-11 RSC-01 DRC-01 /030 W
---------- 105125
P W72215Z DEC 73
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 5845

UNCLAS SAN JOSE 4524

FOR COMMERCE

ALSO FOR ARA/CEN/CR(SULLIVAN)

E.O. 11652: N/A
TAGS: EIND CS
SUBJECT: TRADE COMPLAINT--NON-DELIVERY OF
70 POLICE CARS

1. SUMMARY: CHRYSLER DISTRIBUTOR APPROACHED EMBASSY DECEMBER 27 TO REQUEST ASSISTANCE IN SECURING DELIVERY OF 70 DODGE CORONET POLICE PATROL VEHICLES. HE WAS INFORMED DECEMBER 21 THAT SCHEDULED DECEMBER DELIVERY IMPOSSIBLE BECAUSE OF DETROIT FACTORY SHUT-DOWN. POLICE CARS URGENTLY NEEDED IN TIME FOR FEBRUARY 3, 1974, ELECTIONS. (ACTION REQUESTED: URGENTLY REQUEST DOC ASSISTANCE (SEE PARAGRAPH 6 BELOW) IN EFFORT T ASSU*E AT LEAST PARTIAL DELIVERY FROM INVENTORIES. END SUMMARY

2. MR. GONZALO CALDERON, PRESIDENT OF AUTOMOTORES CALDERON S.A. (SAN JOSE CHRYSLER-DODGE AGENCY) CALLED AT EMBASSY DECEMBER 27 TO REQUEST OUR ASSISTANCE IN OBTAINING DELIVERY OF 70 DODGE CORONET SPECIAL POLICE VEHICLES. MR. CALDERON7WAS THE SUCCESSFUL BIDDER ON A RECENT TENDER BY THE GOCR MINISTRY OF PUBLIC SECURITY FOR POLICE CARS URGENTLY NEEDED IN TIME FOR NATIONAL ELECTIONS, FEBRUARY 3, 1974.

3. CALDERON SAID THE ORDER WAS PLACED FOR THE CORONETS WITH CARLESS DISTRIBUTION (CABLE ADDRESS
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CHRYSLERKEN), LONDON (MR. MC ILVAIN, MANAGER),
IN SEPTEMBER AND THAT DELIVERY WAS PROMISED FOR
DECEMBER. ON DECEMBER 21, HOWEVER, CALDERON
RECEIVED A CABLE FROM CARLESS TO EFFECT THAT IT WAS
IMPOSSIBLE TO MAKE DELIVERY AS SCHEDULED "DUE TO
REASONS BEYOND CONTROL, THE MAIN FACT BEING THE FUEL
SHORTAGE". CABLE FURTHER REPORTED DODGE FACTORY IN
DETROIT PRODUCING THESE CARS HAD BEEN FORCED TO CLOSE
AND WOULD NOT RESUME PRODUCTION UNTIL JANUARY 14, BUT THAT

CARLESS WOULD "PUT THE UTMOST PRESSURE ON DETROIT
IN ORDER TO SECURE THAT ALL 70 CARS BE BUILT
IMMEDIATELY AFTER REOPENING OF THE PLANT".

4. BASIC SPECIFICATIONS FOR THE VEHICLES ARE AS
FOLLOWS: "POLICE PATROL SPECIAL, DODGE CORONET WK-41,
MODEL 1974, FOUR-DOOR, 6 CYLINDER, 225 CUBIC INCH, 145
HORSEPOWER MOTOR. AUTOMATIC HEAVY DUTY TORQUE-FLITE
TRANSMISSION. WHEEL BASE 118 INCHES. WEIGHT APPROXIMATELY
3,300 LBS. TROPICALIZED RADIATOR. FIVE, 6-PLY,
7.35 BY 14 BLACK WALL TIRES. COLOR: 55 BLACK AND WHITE
15 ASSORTED COLORS."

5. MR. CALDERON POINTED OUT THAT HE HAS POSTED A
PERFORMANCE BOND FOR $40,000 WHICH COULD BE
JEOPARDIZED DESPITED FORCE MAJEURE ASPECTS OF CASE,
BUT MORE IMPORTANTLY, HE NOTED, THE CHRYSLER-DODGE
AGENCY IS NEW AND THIS WAS TO HAVE BEEN THE FIRST LARGE,
HIGHLY VISIBLE INTRODUCTION OF NEW CHRYSLER CORP.
PRODUCTS INTO COSTA RICA IN YEARS. CALDERON WOULD
EXPECT TO FOLLOW UP THIS ORDER WITH OTHER U.S. CHRYSLER
CORP. PRODUCTS, PARTICULARLY DODGE TRUCKS, BUT WILL BE
INCLINED TO LOOK ELSEWHERE IF THIS PROBLEM LEFT UNRESOLVED.
CALDERON FEARS THAT IF AT LEAST A PARTIAL DELIVERY CANNOT
BE MADE, THE MINISTRY OF PUBLIC SECURITY WILL CANCEL THE
ORDER AND ATTEMPT TO FILL NEEDS WITH PROCUREMENT OF LOCALLY
AVAILABLE VEHICLES, PARTICULARLY COSTA RICAN ASSEMBLED
TOYOTAS.

6 COMMENT: WE SHARE CALDERON'S CONCERN.
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COSTA RICA'S PRESENT FLEET OF TOYOTA PATROL CARS IS SERIOUSLY
DEPLETED AND FOR THE MOST PART QUITE OLD THUS, THERE IS A
VALID PUBLIC SECURITY NEED. WE ALSO AGREE THAT THIS ORDER
SHOULD HAVE AN IMPORTANT ADVERTISING IMPACT IN THE
PASSENGER CAR MARKET, WHICH IS ALMOST COMPLETELY DOMINATED
BY JAPANESE AND EUROPEAN VEHICLES. WE WOULD APPRECIATE
DOC APPROACHING DODGE TO SEE IF AT LEAST PART OF THE

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ORDER COULD BE MADE OUT OF INVENTORIES. WOULD ALSO
APPRECIATE CONFIRMATION FROM DETROIT OF CARLESS
DESCRIPTION OF FORCE MAJEURE ASPECTS OF CASE, WHICH WE
COULD PASS ON TO CALDERON FOR HIS USE IN INFORMING
MINISTER OF PROBLEM.

7 PLEASE PROVIDE STATUS REPORT ASAP. CALDERON
WISHES DELAY APPROACH TO MINISTRY PENDING WORD OF SUCCESS
OF DOC REPRESENTATIONS.
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*** Current Handling Restrictions *** n/a
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